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UNITED STATES DEPARTMENT OF AGRICULTURE
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FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



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U. S. DEPARTMENT OF AGRICULTURE

WORLD WOOL OUTPUT CONTINUES

FW 1-60
January 15, 1960

UPWARD IN 1959

The preliminary estimate of world wool output in 1959 (see Foreign Crops and Markets, monthly supplement of July 30, 1959) has been revised upward. Substantial upward revisions for the Argentine and New Zealand clip account for most of the change.

World wool output in 1959 (includes the 1959-60 season in the Southern Hemisphere) is currently estimated at a record 5,545 million pounds, grease basis. This is 4 percent above the revised estimate for 1958, and 22 percent above the 1951-55 average. With the exception of 1959, (a drought year in Australia and South Africa) world wool output has risen every year since 1947.

Continued increases in Australia, New Zealand, and the Soviet Union, and a strong upturn in U.S. output accounted for most of the increase in 1959. Production in South America declined slightly, due to poor growing conditions; however, the Argentine clip is expected to be up slightly.

World wool demand is also rising, in contrast with the decline of a year ago. Mill consumption in the 10 countries which report quarterly to the International Wool Study Group was up 17 percent in January-September 1959, compared with a year earlier. Sharpest gains were in Japan and the United States with increases of 42 and 39 percent, respectively. At this rate, world wool consumption in 1959 will be a record 3.2 billion pounds, clean basis. World output in 1959 is estimated at 3,190 million pounds, clean basis, compared with 3,070 million pounds in 1958.

In addition to annual production, supplies are supplemented each year by carryover stocks. In most countries these normally are small in relation to production. In the 5 major exporting countries (Australia,

This Circular contains more detailed information than the summary of somewhat similar title published in the Foreign Crops and Markets monthly supplement of December 24, 1959.

New Zealand, Union of South Africa, Argentina, and Uruguay), carryover stocks at the end of the 1958-59 season were approximately 101 million pounds, clean basis, compared with 220 million pounds a year earlier. Thus, available supplies will be lower in these 5 countries during 1959-60 as the reduction in carryover was greater than the increase in production of about 80 million pounds, clean basis. This sharp reduction in stocks in these exporting countries resulted in some build-up of stocks in consuming countries. At recent consumption levels, however, total world wool stocks probably were lower at the first of 1960 than a year earlier.

Prices of Dominion wools have improved considerably from the low levels at the beginning of 1959. Prices rose very sharply in April, and again at the opening of the 1959-60 Australian auction season in August. A slight decline followed, but prices during the first half of the season have generally been remarkably stable. Average prices at Dominion auctions in November 1959 were 25 to 30 percent above a year earlier but still 20 to 30 percent below the previous peak in May 1957.

Wool output in the United States apparently increased about 6 percent in 1959. Shorn wool output at 252 million pounds was the highest since 1946. Pulled wool output probably also was higher, as sheep and lamb slaughter was above a year earlier. Wool production in Canada and Mexico also rose in 1959.

Production in South America from the 1959-60 clip apparently is down slightly as a result of heavy rains and floods in some countries. Output in Uruguay and Brazil is down sharply for the second year in succession. Uruguayan wool production is expected to be down about 10 percent and the lowest in a decade. Despite adverse weather, Argentine production is expected to rise 3 percent further. Production of fine wool and coarse crossbred (carpet wool) rose about 10 percent but other types declined. Output in Chile and Peru continued to rise in 1959.

Western European wool production rose slightly in 1959 primarily as a result of the continued rise in the United Kingdom, and an upturn in France which offset the decline in Spain. Wool production in Eastern Europe has been relatively stable, although there were substantial increases in Bulgaria in 1958 and in Yugoslavia during the past 2 years.

Production of wool in the Soviet Union continues to rise sharply, along with increases in sheep numbers. Estimated output of 750 million pounds in 1959 is about double that of 1950. The data on Soviet wool production have been revised from those published in Foreign Agriculture Circular, FW 3-58 of December 30, 1958. Previous estimates were based on data published by the U.S.S.R. on wool production which included an unspecified quantity of camel's wool and goat's wool. The present series, which includes sheep's wool only, has just recently been made available.

Wool output in Africa is concentrated largely in the Union of South Africa where production is expected to reach 320 million pounds, grease basis, in 1959-60. This is near the pre-drought level of 1956-57. The Moroccan clip also continued to rise in 1959.

In Asia, a decline in Syria's wool output, due to drought, offset the estimated increase in Communist China's production.

Output in the principal wool exporting countries, Australia and New Zealand, is expected to show another substantial increase to record levels in 1959-60. The revised Australian estimate of 1,690 million pounds for this season is slightly above the July estimate. As in the past, further substantial revisions may be announced later in the season. New Zealand's production is estimated at 570 million pounds in 1959-60. This is 6 percent above the revised total for the previous season and 31 percent above the 1951-55 average.

WOOL: Production in specified countries, greasy basis, average 1951-55
annual 1956-59 1/

Countries	: Average : : 1951-55 :	: 1956 :	: 1957 :	: 1958 <u>2/</u> :	: 1959 <u>2/</u> :
	: Million : : pounds :	: Million : : pounds :	: Million : : pounds :	: Million : : pounds :	: Million : : pounds :
North America:					
Canada.....	7.6	7.9	7.9	7.6	8.2
Mexico.....	11.7	9.6	9.0	9.9	10.5
United States <u>3/</u>	296.1	307.4	292.6	292.5	310.0
Total North America <u>4/ 5/</u> ...	315.0	325.0	310.0	310.0	330.0
South America:					
Argentina.....	393.0	392.4	409.0	420.6	434.3
Brazil.....	52.4	62.0	66.7	63.0	59.5
Chile.....	41.6	47.7	47.4	48.9	50.7
Falkland Islands.....	4.7	4.6	4.5	4.5	4.5
Peru.....	20.4	20.7	18.7	19.8	20.3
Uruguay.....	194.8	187.1	198.0	176.4	158.7
Total South America <u>5/ 6/</u> ...	725.0	730.0	760.0	750.0	745.0
Europe:					
France.....	52.2	60.0	61.7	60.6	63.9
Germany, West.....	13.3	10.7	11.7	11.7	11.0
Greece.....	20.8	23.4	23.8	24.0	24.3
Ireland.....	15.8	18.7	18.3	21.4	21.9
Italy.....	37.2	26.9	32.0	32.0	32.0
Norway.....	7.8	8.0	8.0	8.0	8.0
Portugal.....	22.4	22.9	23.4	22.9	22.5
Spain.....	82.5	74.8	78.5	75.0	72.8
United Kingdom.....	98.6	104.3	113.8	116.6	120.0
Total West Europe <u>5/ 7/</u>	365.0	365.0	385.0	385.0	390.0
Bulgaria.....	35.4	32.3	32.8	36.5	37.0
Germany, East <u>8/</u>	11.9	15.2	16.8	17.5	18.0
Hungary.....	12.4	14.4	14.8	14.0	14.0
Poland.....	14.5	21.5	20.5	20.5	20.0
Rumania.....	40.2	43.0	42.1	43.1	43.0
Yugoslavia.....	35.2	32.8	30.9	32.4	34.6
Total East Europe <u>5/ 9/</u>	160.0	170.0	170.0	175.0	175.0
Total Europe <u>5/</u>	525.0	535.0	555.0	560.0	565.0
U.S.S.R. (Europe and Asia).....	483.7	566.0	630.0	700.0	750.0

WOOL: Production in specified countries, greasy basis, average 1951-55
annual 1956-59 1/

Countries	: Average : : 1951-55 :	1956	: 1957	: 1958 <u>2/</u> :	1959 <u>2/</u>
	: Million : : pounds	: Million : : pounds	: Million : : pounds	: Million : : pounds	: Million : : pounds
Africa:	:	:	:	:	:
Algeria.....	16.4	18.8	19.0	19.0	19.0
Egypt.....	5.0	5.2	5.2	5.2	5.2
Morocco.....	35.6	36.2	33.1	35.2	36.0
Tunisia.....	7.8	7.2	7.5	7.4	8.0
Union of South Africa <u>10/</u>	286.9	320.8	299.1	313.6	320.0
Total Africa <u>5/</u> <u>11/</u>	365.0	405.0	380.0	395.0	400.0
Asia:	:	:	:	:	:
Iran.....	38.2	44.1	43.2	44.0	43.0
Iraq.....	24.0	26.2	28.4	23.1	23.0
Syria.....	19.0	20.7	20.7	20.7	15.4
Turkey (Europe and Asia).....	78.6	76.6	83.8	79.2	81.6
China, Mainland <u>12/</u>	95.0	126.0	132.0	145.0	150.0
India.....	72.0	72.0	74.0	74.0	74.0
Japan.....	6.0	8.4	7.8	7.6	8.0
Pakistan.....	33.0	35.0	35.0	35.0	35.0
Total Asia <u>5/</u> <u>13/</u>	430.0	475.0	490.0	495.0	495.0
Oceania:	:	:	:	:	:
Australia.....	1261.3	1564.3	1433.8	1577.0	1690.0
New Zealand.....	433.5	490.6	496.4	540.0	570.0
Total Oceania <u>5/</u>	1695.0	2055.0	1930.0	2115.0	2260.0
Total World <u>5/</u>	4540.0	5090.0	5055.0	5325.0	5545.0

1/ For summary purposes wool produced mostly in the spring in the Northern Hemisphere is combined with that produced in the season beginning July 1 or October 1 of the same year in the Southern Hemisphere. Pulled wool is included for most countries at its greasy equivalent. 2/ Preliminary. 3/ Converted "pulled wool" to greasy basis at 1.7. 4/ Includes estimates for Hawaii, Greenland, Newfoundland, Guatemala and Cuba. 5/ Rounded to fives of millions. 6/ Includes estimates for Bolivia, Colombia, Ecuador, Paraguay and Venezuela. 7/ Includes estimates for Austria, Belgium-Luxembourg, Denmark, Finland, Iceland, Malta, Netherlands, Sweden and Switzerland. 8/ Includes state collections only, actual weight basis, does not include private sales, if any. 9/ Includes estimates for Albania and Czechoslovakia. 10/ Includes Basutoland and South West Africa. 11/ Includes estimates for Ethiopia and Eritrea, Libya, French West Africa and Togo, and Kenya. 12/ Includes China proper (22 provinces) Manchuria, Jehol, Sinkiang (Turkestan) and Tibet. 13/ Includes estimates for Cyprus, Israel, Jordan, Lebanon, Outer Mongolia, Afghanistan and Nepal.

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Washington 25, D. C.

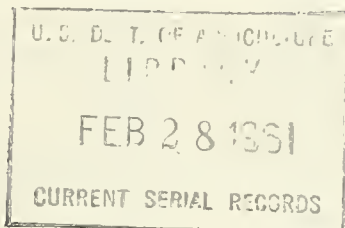
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U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



FW 3-60
December 1960

WORLD WOOL OUTPUT FOR

1960 DOWN SLIGHTLY 1/

World wool output in 1960 (including the 1960-61 season in the Southern Hemisphere) is now estimated at 5,565 million pounds, grease basis. This is less than 1 percent under the revised estimate for 1959 but 22 percent above the 1951-55 average.

A sharp decline in the output of Argentina, lower production in Australia, and a downward revision in the production of the Union of South Africa for 1960, more than offset the increased production of the United States, Uruguay, the U.S.S.R., New Zealand, and Mainland China.

The preliminary estimate of world wool output in 1960 (see Foreign Crops and Markets, World Summaries, July 28, 1960) has been revised downward, mostly due to the downward revisions in the Argentine and Russian clip. On a clean basis, world output in 1960 is estimated at 3,200 million pounds, compared with 3,217 million pounds in 1959.

The recovery in world wool consumption, which started in the fourth quarter of 1958, appears to be leveling off. Consumption is expected to total about 3.2 billion pounds in 1960, clean content, the same as in 1959. Consumption showed little change between the first and second quarters of 1960; however, during the third quarter of 1960, mill use in the 10 countries that report quarterly to the International Wool Study Group was down 3 percent from the same quarter of 1959. Of the 10 leading consuming countries, only the United States, the United Kingdom, and the Netherlands consumed less during January-September 1960 than in the same period a year earlier. The other 7 countries had increases ranging from 4 to 24 percent. However, only Japan, Italy, and Belgium increased raw wool consumption from the second quarter to the third quarter of 1960.

1/ This circular contains more detailed information than a summary of a similar title published in Foreign Crops and Markets, World Summaries, November 24, 1960.

WOOL: Production in specified countries, greasy basis, average 1951-55
annual 1957 to 1960 1/

Countries	: Average : 1951-55	: 1957	: 1958	: 1959 <u>2/</u>	: 1960 <u>2/</u>
	: Million : pounds	: Million : pounds	: Million : pounds	: Million : pounds	: Million : pounds
North America:					
Canada.....	7.6	7.9	7.6	8.3	8.4
Mexico.....	11.7	9.0	9.9	10.4	10.5
United States <u>3/</u>	296.1	292.6	293.0	315.9	320.0
Total North America <u>4/5/</u>	315.0	310.0	310.0	335.0	340.0
South America:					
Argentina.....	393.0	409.0	420.6	423.3	409.0
Brazil.....	52.4	66.7	63.0	59.5	60.0
Chile.....	41.6	47.4	48.9	49.8	50.3
Falkland Islands.....	4.7	4.6	4.5	4.5	4.5
Peru.....	20.4	19.8	22.0	22.0	23.1
Uruguay.....	194.8	198.0	176.4	158.7	180.0
Total South America <u>4/5/</u>	725.0	760.0	750.0	745.0	745.0
Europe:					
France.....	52.2	62.7	60.6	65.9	66.7
Germany, West.....	13.3	11.7	11.7	12.2	11.6
Greece.....	20.8	23.8	24.0	24.0	24.1
Ireland.....	15.8	18.3	21.4	24.9	26.0
Italy.....	37.2	32.0	32.6	34.3	34.8
Norway.....	7.9	8.0	8.0	8.0	8.0
Portugal.....	22.4	23.4	24.2	24.3	24.3
Spain.....	82.5	78.5	75.0	69.7	72.8
United Kingdom.....	98.6	113.6	118.7	128.1	123.0
Total West Europe <u>4/ 5/</u>	365.0	385.0	390.0	405.0	405.0
Bulgaria.....	35.4	32.8	36.5	37.0	37.5
Germany, East <u>6/</u>	11.9	16.8	17.5	18.3	18.5
Hungary.....	12.4	14.8	16.1	17.6	18.5
Poland.....	14.5	20.5	19.8	20.2	20.0
Rumania.....	40.2	42.1	43.2	46.3	47.4
Yugoslavia.....	35.2	30.9	31.0	31.5	32.5
Total East Europe <u>4/5/</u>	160.0	170.0	175.0	180.0	185.0
Total Europe <u>4/ 5/</u>	525.0	555.0	565.0	585.0	590.0
U.S.S.R. (Europe and Asia)....	483.7	630.0	700.0	765.0	775.0

WOOL: Production in specified countries, greasy basis, average 1951-55
annual 1957 to 1960 1/ (Continued)

Countries	: Average : : 1951-55 : : Million : : pounds	: 1957 : : Million : : pounds	: 1958 : : Million : : pounds	: 1959 <u>2/</u> : : Million : : pounds	: 1960 <u>2/</u> : : Million : : pounds
Africa:					
Algeria.....	16.4	19.0	19.0	19.0	19.0
Egypt.....	5.0	5.2	5.2	5.2	5.2
Morocco.....	35.6	33.1	35.2	35.0	35.0
Tunisia.....	7.8	7.5	7.4	8.0	8.0
Union of South Africa <u>7/</u>	286.9	299.1	313.6	319.0	300.0
Total Africa <u>4/ 5/</u>	365.0	380.0	395.0	400.0	380.0
Asia:					
Iran.....	38.2	43.2	44.0	43.0	35.3
Iraq.....	24.0	28.4	23.1	23.0	23.0
Syria.....	19.0	20.7	20.7	14.6	11.0
Turkey (Europe and Asia).....	78.6	83.8	79.4	83.8	88.2
China, Mainland.....	95.0	132.0	135.0	150.0	155.0
India.....	72.0	74.0	74.0	74.0	75.2
Japan.....	6.0	7.8	7.6	7.1	7.0
Pakistan.....	33.0	35.0	35.0	35.0	35.0
Total Asia <u>4/ 5/</u>	430.0	490.0	485.0	495.0	495.0
Oceania:					
Australia.....	1261.3	1433.8	1590.9	1688.7	1650.0
New Zealand.....	433.5	496.4	540.0	576.9	590.0
Total Oceania <u>5/</u>	1695.0	1930.0	2130.0	2265.0	2240.0
Total World <u>5/</u>	4540.0	5055.0	5335.0	5595.0	5565.0

1/ For summary purposes wool produced mostly in the spring in the Northern Hemisphere is combined with that produced in the season beginning July 1 or October 1 of the same year in the Southern Hemisphere. Pulled wool is included for most countries at its greasy equivalent. 2/ Preliminary. 3/ Converted "pulled wool" to greasy basis at 1.7. 4/ Includes estimates for other minor producing countries. 5/ Rounded to five of million. 6/ Includes state collections only, actual weight basis, does not include private sales if any. 7/ Includes Basutoland and South West Africa.

This leveling-off of world demand for wool has been reflected in generally steady to lower prices. Dominion wool prices, which began to decline during the latter part of the 1959-60 season, dropped sharply at the opening of the 1960-61 auction season in August. However, during November, prices began to recover somewhat as most of the major consuming countries increased their buying activity. Recent reductions in interest rates in the United Kingdom may further stimulate demand there.

In addition to annual production, supplies are supplemented each year by carryover stocks, although these are usually only a small part of production in most countries. In the 5 major exporting countries (Australia, New Zealand, Union of South Africa, Argentina, and Uruguay) carryover stocks at the end of the 1959-60 season were 122 million pounds, clean basis, compared with 96 million pounds a year earlier (see Foreign Crops and Markets, World Summaries, September 29, 1960). Most of the increase was in Argentina and Uruguay where there was a buildup of inventories following the disposal of the large 1958 carryover.

Wool output in the United States apparently increased about 1 percent in 1960. Shorn wool output at 265 million pounds, grease basis, was the highest since 1946. Pulled wool output apparently was also higher in 1960 as sheep and lamb slaughter was heavier than a year earlier.

Wool production in South America is not expected to change from 1959, as the decline in Argentina offsets increases reported in the other countries. The sharp reduction in Argentina was caused primarily by drought-reduced yields and the higher rate of slaughter. Uruguay's production increased sharply from 1959 as more favorable weather prevailed.

Wool production in Western Europe is about the same as in 1959 as the decline in the United Kingdom was offset by increases in the other countries, mainly Spain. Production in Eastern Europe has also about leveled off with slight annual gains in recent years.

Production in the Soviet Union continued to rise in 1960 but at a much lower rate than has been apparent in past years. It was reported that unfavorable winter conditions in a number of regions increased sheep losses and on July 1, 1960, the sheep population was 2 percent less than a year earlier. Lamb production also declined.

Wool production in Africa will be lower in 1960, reflecting the decline in the Union of South Africa. However, production in the Union has been revised upward from that previously reported (see Foreign Crops and Markets, World Summaries, November 24, 1960).

In Asia, even though production in Communist China, Turkey, and India increased, total Asian production will be virtually the same as in 1959. Wool production in Iran and Syria is expected to drop markedly because of severe weather and feed shortages in both countries. Production in the other Asian countries probably will not change significantly.

Wool output in Oceania, which produces the bulk of the world's exportable supplies, will be lower in the 1960-61 season (July-June). The Australian clip is currently estimated at 1,650 million pounds, grease basis. This would be 2 percent less than the 1,689 million pounds produced last season despite a 1 percent increase in sheep numbers in 1960. The decline is due to severe drought that has plagued the principal growing area of New South Wales. New Zealand output in 1960 has been revised upwards to a record 590 million pounds, mainly due to an increase in sheep numbers.

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